



PUBLIC EMPLOYEE RETIREMENT SYSTEMS OF IDAHO
607 North 8th Street, Boise, Idaho 83702

MINUTES OF MEETINGS OF RETIREMENT BOARD

The Board of the Public Employee Retirement System of Idaho met in-person at 8:30 a.m., July 18, 2023. The following Trustees were present:

Jeff Cilek
Joy Fisher
Darin DeAngeli
Park Price
Lori Wolff

Executive Director Don Drum, Deputy Director Michael Hampton, Deputy Attorney General Cheryl George, Chief Investment Officer Richelle Sugiyama, Deputy Chief Investment Officer Chris Brechbuhler, and Management Assistant Eliza Storms were also in attendance.

In attendance in-person or via Zoom were:

Aaron Chochon	Cavanaugh Macdonald	Kelly Cross	PERSI
Ray Mikus	PERSI	Larry Sweat	PERSI
Alex Simpson	PERSI		

At 8:32 a.m., Chairman Cilek called the meeting to order.

Approval of the Minutes Trustee Fisher moved to approve the minutes of the May 15th and 16th meetings. Trustee DeAngeli seconded the motion. The motion passed unanimously.

PORTFOLIO

Monthly Portfolio Update

Chief Investment Officer, Richelle Sugiyama, presented the Fiscal Year 2023 Investment Review, monthly reports, and the portfolio update as of July 17, 2023. As part of the FY review, Ms. Sugiyama discussed the fund structure, investment philosophy, and FY 2023 performance, noting the consistent implementation of PERSI's investment philosophy (simple, transparent, focused and patient) has served the fund well. Ms. Sugiyama highlighted the features of the monthly report, specifically, the summary pages and manager pages, which include style, performance, and compliance information, in addition to market commentary. Ms. Sugiyama also presented updated portfolio information as of July 17th.

CIO Sugiyama updated the Board on the Clearwater Analytics custom reporting and the manager search, disclosing the plan to provide manager recommendations at the November

board meeting, and finalist interviews with the investment committee and other interested trustees, in advance of that meeting.

Chairman Cilek expressed his appreciation to Callan for the manager review held in conjunction with their annual conference and requested an update every six-months.

EXECUTIVE DIRECTOR AND DEPUTY HAMPTON

Scheduled Contributions Rate Increases

Director Drum reviewed the contribution rate changes the Board approved after the June 30, 2022 annual valuation. Due to the better-than-expected returns for the current fiscal year, the Board has a number of options at its disposal to adjust these future contribution rate changes. The Director introduced PERSI's retained internal actuary, Cavanaugh Macdonald (CavMac) to lead further discussion.

Aaron Chochon with CavMac presented to the Board a report covering the return-to-work legislation for Public Safety members, investment performance during FY2023, and the current scheduled contribution rates. CavMac suggested four general options for the Board's consideration on current scheduled contribution rates, which included keeping the current schedule, delay some or all of the increases, reduce some or all of the increases, or cancel some or all increases.

Director Drum relayed to the Board of the Division of Financial Management (DFM) deadline of October 21, 2023, for any contribution rate changes that would impact FY 2025 budgets.

After a healthy discussion, the Board directed staff and consultants to provide the following contributions rate scenarios: 1) keep all rate increases in place 2) cancel all future scheduled contribution rate increases, 3) delay all three contribution rate increases for one year, 4) keep FY 2025 and FY 2026 contribution rate increases and cancel FY 2027, 5) keep FY 2025 contribution rate increases and cancel FY 2026 and FY 2027, 6) keep FY 2025 and FY 2026 contribution rate increases and delay FY 2027 by one year, and 7) keep FY 2025 contribution rate increase and delay FY 2026 and FY 2027 by one year. The Board also directed staff and consultants to determine what the contribution rate increase would need to be to fund the return-to-work benefit enhancement for public safety members if implemented in January or July of 2024.

Director Drum informed the Board he will work with CavMac and Milliman to work on providing the requested contribution rate scenarios and present the options at the August Board meeting.

Staff Presentation: Programs Department

Programs Manager, Kelly Cross introduced the Programs Departments new supervisor Maria Quitugua. Mr. Cross then provided an overview of the new member training materials the department has been developing.

The first new member training module "*Welcome to PERSI!*" *New Member Orientation* is now available and designed to target new members. Ray Mikus, Member Services Supervisor presented the new training module to the Board. Trustee Wolff suggested a recording of the presentation be made available to employers to have as part of their onboarding process. Mr. Cross will look into making that available.

Arrivos Update

IT Manager, Larry Sweat provided a brief update on the Arrivos updates and design.

Trustee Price requested PERSI staff to provide the Board an Arrivos project status showing milestones achieved, future timeframes of the Arrivos project, and project progress.

Luma Update

Chief Financial Officer, Alex Simpson provided an update on the progress of the State's Luma system implementation, training provided, and current impact to PERSI. He informed the Board that PERSI staff is working through all the changes, have completed two weekly payrolls, and will be completing the first monthly payroll at the end of this month.

Discussion of Legislative Ideas

Deputy Hampton presented to the Board draft legislative ideas that would impact Idaho Code 59-1316, 59-1363, 59-1352, and 59-1308. Trustee DeAngeli requested staff revisit language in the draft of 59-1316 to address the incorporation of 18-6710, Idaho Code. Deputy Hampton will revise the wording and present it at the August Board meeting.

Mr. Hampton informed the Board that legislative ideas will be on the August agenda as a decision item for the Board.

FISCAL

Fiscal Update/Travel/Expense Report

Chief Financial Officer, Alex Simpson provided fiscal reports, charts, and updates.

FY2025 Preliminary Budget Review

Chief Financial Officer, Alex Simpson presented the preliminary FY2025 Budget Request to the Board for their review. He will present the final proposed budget at the August Board meeting for the Board's vote.

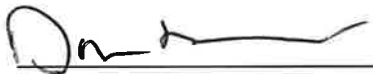
BOARD

August Agenda

The Board reviewed the August agenda. Chairman Cilek provided October 11th and 13th as possible dates for an additional meeting in October, if needed. Chairman Cilek ask Eliza, Management Assistant, to follow-up and work with the Board to confirm best dates. Chairman Cilek requested a scheduled break be added to into the Governance Agendas.

Executive Session: No Executive Session was held.

Adjournment: There being no further business to come before the Board, the meeting adjourned at 11:34 p.m.



Don Drum
Executive Director



Date



Jeff Cilek
Chairman



Date